

THE SCHOOL ADMINISTRATOR

and Uniform Compliance Guidelines
ISSUED BY STATE BOARD OF ACCOUNTS

Volume 182

June 2008

ITEMS TO REMEMBER

JUNE

- June 1: Prove the Fund Ledger and Ledger of Receipts for the month of May to the control of all funds and reconcile the control with the depository statement. Prove all receipt accounts for each fund to total receipts for that fund. Prove the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances to the total disbursements of the control account of the Fund Ledger. Prove all expenditure accounts within each program to the total disbursements of that program.
- June 20: Last day to report and make payment of state and county income tax withheld during May to the Department of Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 180, December 2007, of The School Administrator and Uniform Compliance Guidelines.)
- June 30: Close out all payroll deduction clearing accounts. Balance and close the Fund Ledger and Ledger of Receipts for the school year and reconcile with depositories. Total the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances (January 1 to June 30). Close the ledger for the school year and prove to the Fund Ledger.

School board members taking office in July, file certified copy of oath in the circuit court clerk's office of the county containing the greatest percentage of population of the school corporation. (IC 5-4-1-4)

JULY

- July 1: Open a Fund Ledger and Ledger of Receipts for the next school year by entering the balance of each fund as determined and proved for June 30. Open a Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances for the next school year by entering in each program account the balance of unexpended appropriations, and by entering in each expenditure account within each program, the balance of the unexpended allotment.
- July 4: Independence Day - Legal Holiday. (IC 1-1-9-1)
- July 20: Last day to report and make payment of state and county income tax withheld during June to Department of Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 180, December 2007, The School Administrator and Uniform Compliance Guidelines.)
- July 31: Last day to file Federal Quarterly Report, Form 941, with the Internal Revenue Service for federal and social security taxes for the second quarter.

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AUGUST

- Aug 1: Prove all ledgers for the month ending July 31 as outlined for the month of June.
- Aug 15: Not earlier than August 1 or later than August 15 the secretary of the board of school trustees is to publish an annual financial report, in accordance with IC 5-3-1-1 et seq.
- Aug 20: Last day to report and make payment of state and county income tax withheld during July to Department of State Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 180, December 2007, The School Administrator and Uniform Compliance Guidelines.)

NOTE: See the September "The School Administrator and Uniform Compliance Guidelines" for budget dates or call the Department of Local Government Finance at 317-232-3773.

Prior to September 1 of each year, the superintendent of each school corporation shall cause to be made to the Office of the State Fire Marshal an inspection report of all heating systems and supporting fuel lines used for school purposes. (IC 20-26-7-28)

TRANSFER TUITION

A question arises from time to time concerning students who were residents of and attended your school corporation through their eleventh year. They became residents of and enrolled in your school corporation for the first semester of their twelfth year. However, during the first semester, the legal settlement of the student was changed to another school corporation. The question concerns whether or not the school corporation is required to permit the student to complete the twelfth grade without payment of transfer tuition.

IC 20-26-11-2 states in part ". . . (8) If a student's legal settlement is changed after the student has begun attending school in a school corporation in any school year, the effective date of change may: (A) at the election of: (i) the parent; (ii) the student, if the student is at least eighteen (18) years of age; or (iii) a juvenile court conducting a proceeding under IC 31-34-20-5, IC 31-34-21-10, IC 31-37-19-26, or IC 31-37-20-6 (or IC31-6-4-18.5 before its repeal); be extended until the end of that semester; or (B) at the discretion of the school, until the end of that school year. However, that election, where a student has completed grade 11 in any school year, shall extend to the end of the following school year in grade 12."

Since the student in question was not enrolled in the school corporation of current legal settlement for any prior years but did enroll for the first semester as a resident student to commence grade twelve, the student should be permitted to complete the first semester if the student or the student's parents so elect, without a charge for transfer tuition. Also, if the school corporation elects to do so, the student may attend the remainder of that year without charge for transfer tuition.

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TRANSFER TUITION (Continued)

Additionally, IC 20-26-11-30 concerns allowing individuals to continue attending prior schools and provides effective July 1, 2008, "(a) This section applies to a student who resided in a school corporation where the student had legal settlement for at least two (2) consecutive school years immediately before moving to an adjacent school corporation. (b) A school corporation in which a student had legal settlement for at least two (2) consecutive years as described in subsection (a): (1) shall allow the student to attend an appropriate school within the school corporation in which the student formerly resided; (2) may not request the payment of transfer tuition for the student from the school corporation in which the student currently resides and has legal settlement or from the student's parent; and (3) shall include the student in the school corporation's ADM; if the principal and superintendent in both school corporations jointly agree to enroll the student in the school. (c) If a student enrolls under this section in a school described in subsection (b)(1), the student's parent must provide for the student's transportation to school. (d) A student to whom this section applies may not enroll primarily for athletic reasons in a school in a school corporation in which the student does not have legal settlement. However, a decision to allow a student to enroll in a school corporation in which the student does not have legal settlement is not considered a determination that the student did not enroll primarily for athletic reasons."

EXTRA-CURRICULAR INFORMATION

Please be aware of any information in "The School Administrator and Uniform Compliance Guidelines" which might be applicable to the individual school buildings of your School Corporation. Officials can review the School Administrator at [http: www.in.gov/sboa/2394.htm](http://www.in.gov/sboa/2394.htm). Examples would be articles directly related to extra-curricular accounts or articles such as the Average Daily Membership (ADM) article below.

AVERAGE DAILY MEMBERSHIP (ADM)

Recent audit reports are continuing to note that records to support Average Daily Membership (ADM) as reported to the Department of Education have not been retained in accordance with IC 5-15, the Preservation of Public Records Law.

The State Board of Accounts is of the audit position that School Officials should maintain all records including ADM records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level Official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office should provide a written certification of ADM (written or electronic which is retained for audit) to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed.

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ESTABLISHING THE ESTIMATED COST OF CAPITAL ASSETS

The following is an update to estimated cost information provided at prior seminars concerning capital asset accounting.

When the historical cost of capital assets owned by a governmental unit cannot be determined, the following procedure should be followed.

Develop an inventory of all capital assets which are significant for which records of the historical costs are not available. Obtain an estimate of the replacement costs of these assets. Through inquiry determine the year or approximate year of acquisition. Then multiply the estimated replacement cost by the factor for the year of acquisition from the Table of Cost Indexes. The resulting amount will be the estimated cost of the asset. Estimated replacement cost in some cases can be obtained from insurance policies; however, if estimated replacement costs are not available from insurance policies, you should obtain or make an estimate of the replacement costs.

If the replacement cost is estimated to be \$76,000.00 and the asset was constructed about 1930, then the estimated cost of the asset should be reported as \$6,080.00.

$$\$76,000.00 \times .08 = \$6,080.00$$

TABLE OF COST INDEXES
1915 TO 2007

<u>Year</u>	<u>Index</u>	<u>Year</u>	<u>Index</u>	<u>Year</u>	<u>Index</u>	<u>Year</u>	<u>Index</u>
2007	1.00	1983	.48	1959	.14	1935	.07
2006	.97	1982	.47	1958	.14	1934	.06
2005	.94	1981	.44	1957	.14	1933	.06
2004	.91	1980	.40	1956	.13	1932	.07
2003	.89	1979	.35	1955	.13	1931	.07
2002	.87	1978	.31	1954	.13	1930	.08
2001	.86	1977	.29	1953	.13	1929	.08
2000	.83	1976	.28	1952	.13	1928	.08
1999	.81	1975	.26	1951	.13	1927	.08
1998	.79	1974	.24	1950	.12	1926	.09
1997	.78	1973	.21	1949	.11	1925	.08
1996	.76	1972	.20	1948	.12	1924	.08
1995	.74	1971	.20	1947	.11	1923	.08
1994	.72	1970	.19	1946	.09	1922	.08
1993	.70	1969	.18	1945	.09	1921	.09
1992	.68	1968	.17	1944	.09	1920	.10
1991	.66	1967	.16	1943	.08	1919	.08
1990	.63	1966	.16	1942	.08	1918	.07
1989	.60	1965	.15	1941	.07	1917	.06
1988	.57	1964	.15	1940	.07	1916	.05
1987	.55	1963	.15	1939	.07	1915	.05
1986	.53	1962	.15	1938	.07		
1985	.52	1961	.14	1937	.07		
1984	.50	1960	.14	1936	.07		

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UNIFORM CONFLICT OF INTEREST STATEMENT

Please be aware IC 35-44-1-3 does state in part "(d) A disclosure required by this section must: . . . (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to the final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) if the governmental entity is a governmental entity other than the state or a state supported college or university, the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase; . . . "

REIMBURSEMENT GRANTS

We are aware of some inconsistencies in receipt procedures for reimbursement type grants.

The State Board of Accounts is of the audit position that reimbursement grants should be receipted to the fund or funds from which the original expenditures were made in accordance with the grant agreement. Budgetary funds would then require adherence to statutory and other applicable procedural requirements of the Department of Local Government Finance, i.e. additional appropriations.